

# Strategic Planning Process

Strategic planning determines where an organization is going over the next year or more and explains how it is going to get there. The process is typically organization-wide but the process can also focus on a major division or function. Strategic planning normally includes these steps:



## 1. Strategic Analysis

An environmental scan or review is conducted (including the political, social, economic and technical environments). The driving forces in the environment are seriously considered by assessing how their strengths, weaknesses, opportunities and threats (*SWOT Analysis*) affect the organization.

## 2. Strategic Direction

Careful consideration is applied to what the organization must do in response to the findings of the Strategic Analysis. This leads to a description of *strategic goals* and the *strategic strategies* the organization must implement to succeed. Goals are designed to be Specific, Measurable, Acceptable, Realistic, and Timely - Expanding the capacity of those involved and Rewarding them for success (SMARTER Goals).

This step includes identifying or updating the organization's mission, vision and/or values statements. The *mission statement* briefly defines the purpose of the organization. The *vision statement* is a compelling description of how the organization will operate when the mission is fully realized. The *values statement* is a list of the characteristics most valued by everyone in the organization. These values will guide the organization along the mission road to fulfilling its vision.

## 3. Action Planning

*Action planning* carefully lays out how the strategic goals will be accomplished by defining specific *objectives* for each strategic goal. By accomplishing a set of objectives a strategic goal is ultimately achieved. Each objective is associated with a *tactic*, the method used to reach an objective.

The action plan specifies *responsibilities* and *timelines* with each objective, that is, who needs to do what and by when. It also includes methods to *monitor* and *evaluate* the plan, which allows the management team to know who has done what and by when.

## 4. Annual Plan

The work described in Steps 1 – 4 is then used to develop an *annual plan* (sometimes called the *operational* or *management plan*), which describes the strategic goals, strategies, objectives, responsibilities and timelines for the coming year. A *budget* is included in the strategic and annual plan to specify how revenues and expenditures are used to achieve strategic goals.